

**OUSEL FALLS & SOUTH FORK ROADS  
AND INTERSECTION IMPROVEMENTS**

**PROPOSED RURAL IMPROVEMENT  
AND MAINTENANCE DISTRICT (RID)  
MADISON COUNTY, MT**

**INFORMATION FOR PROPERTY OWNERS**

**Introduction**

The Madison and Gallatin County Commissions are undertaking cooperative efforts to create Rural Improvement Districts (RIDs) in the Big Sky area for completion of needed road improvements at Highway 64 & Ousel Falls intersection and approximately 5.2 miles of Ousel Falls and South Fork Roads. Morrison-Maierle, Inc. (MMI) is assisting the Counties with the evaluation and creation of the Rural Improvement Districts (RID) for the improvements.

The proposed RIDs would also include creation of maintenance districts to provide for routine and long-term maintenance of the road improvements and equitably assess the costs for the maintenance needs. The initial construction costs of the improvements and future maintenance cost would be jointly funded through two separate RIDs concurrently created in both Gallatin and Madison Counties.

This informational packet presents our findings and summarizes the RID creation process, the proposed RID boundary, property owner information and preliminary cost information for the area property owners. The proposed improvements and other information are further detailed and described herein.

**Rural Improvement and Maintenance District (RID) Creation Process and Schedule**

The process under which Counties may create a Rural Improvement and Maintenance District (RID) is governed by Montana Code Annotated (MCA) Title 7, Chapter 12, Part 21. If the Madison and Gallatin County Commissions elect to jointly proceed with the RID creation process, the County Commissions will consider a Resolution of Intent to Create an RID at a joint Commission meeting which will likely be held during March or April of 2009, or at

another approved time set by the County Commissions. **If the Commissions pass Resolutions of Intent to Create an RID, all property owners within the proposed districts will be sent a notice by the respective County that the RID creation is being considered by the County Commission. The notice will include details about the proposed RID, and identify what opportunities owners have to further comment on, or protest against the creation of the RID.**

If the RIDs are created, the project design and bid documents for the improvements would subsequently be prepared and the construction contract(s) bid. Following the contract bid opening, the bond sales would be conducted by each County, and the construction would subsequently proceed. The majority of the road improvement work could be done during the 2009 construction season. Completion of the Schedule 1 Intersection work would likely not be fully completed until the summer of 2010. The currently anticipated RID and project schedule is attached hereto as Exhibit A.

#### **Property Owner Information and Support**

To insure that all property owners within the proposed RID receive accurate information regarding the proposed RID and are provided an opportunity to express their opinion and indicate their support or opposition for the proposed RID, a newsletter is being sent to owners of record for all assessable parcels in Gallatin and Madison Counties. This informational packet has been posted on the Gallatin County internet home page for public review, and an Informational Community Meeting is being scheduled and noticed in the aforementioned Newsletter. Additionally, the County Commissions' meeting to consider Resolutions of Intent to Create an RID will be publicized and public input will be received and considered at the joint Commission Meetings.

#### **Description of the Proposed Improvements**

The RID improvements would be separated into three construction schedules as shown on the attached Exhibit B. The **Schedule 1 - Intersection Improvements** would generally consist of providing protected left turn lanes and right turn (deceleration) lanes at the Highway 64/Ousel Falls Road intersection, and would generally including subgrade and road widening; asphalt paving, overlay and seal coat improvements; storm drainage improvements, and paint striping. The **Schedule 2 - Ousel Falls Road Reconstruction** would include reconstruction of approximately the first 8,150 feet (~1.5 miles) of Ousel Falls Road beginning at the Highway 64 intersection. The **Schedule 3 - South Fork Road Reconstruction** would include reconstruction

of approximately 19,120 feet (~3.6 miles) of South Fork Road and Ousel Falls Road beyond the Schedule 2 improvements. The schedules 2 & 3 road reconstruction work will generally consist of pulverizing, milling and/or removing of the existing deteriorated asphalt, reconstruction and widening as needed of gravel subgrade and subgrade preparation, bituminous asphalt paving, storm drainage improvements as needed, and paint striping.

The proposed improvements and district boundary are shown on Exhibit B - Drawing Number 2 Madison County RID Boundary, as well as the Detail Sheets 1 and 2 (Drawing Numbers 1 of 3 and 2 of 3).

### **Maintenance of Proposed Improvements**

Maintenance of the proposed road improvements, which is currently provided through the cooperative efforts and funding of homeowners associations and other private interests, will be subsequently be provided by Gallatin County and will be funded through maintenance assessments established in the RIDs for both Gallatin and Madison Counties. Since Highway 64 is a State Route, maintenance of the proposed intersection improvements will be the responsibility of the Montana Department of Transportation and the cost of the intersection maintenance will not be assessed in the proposed RID.

A Maintenance District will be created at the same time as the RID to fund future maintenance of the road improvements. An annual maintenance assessment, which will be assessed in addition to the bond repayment principal and interest payment, will typically be used for fog or chip seals, crack sealing, spot repairs, future asphalt overlays, weed control, snow plowing, etc., to maintain and extend the useful life of the improvements.

The first year annual maintenance assessment is estimated to be \$29.00 for Schedule 2 and \$84.00 for Schedule 3 per year per assessable parcel. The annual maintenance assessment is estimated to increase an average of 4% per year to account for inflation in maintenance costs. As such, at the end of 20-year bond repayment period, in the year 2030, the annual maintenance assessment is estimated to be \$63.54 and \$184.05 per year per assessable parcel for schedules 2 and 3, respectively.

## **Proposed District Map**

A map of the proposed district is shown on the attached Exhibit B - Drawing Number 2 Madison County RID Boundary. The Assessment Area of the benefitted properties to be assessed for each schedule are shown on Drawing Number 2-1/2/3 - Schedule 1, 2, & 3 Assessment Area. Detailed property parcel information for the RID District is shown on the attached Detail Sheet-1 and 2 (Drawings 1 of 3 and 2 of 3).

## **Public Interest and Convenience**

Since Madison or Gallatin Counties have no plans to undertake the proposed intersection or road improvements at anytime in the foreseeable future, the proposed joint RID funding presents the area property owners with an opportunity to enjoy the benefits of the intersection and road improvements, and long-term maintenance while equitably defraying the costs among the benefitted users. The project is believed to be in the property owners' best interests and convenience for the following reasons:

- A) Owners within the proposed district will benefit from the improved and uniformly maintained paved County Road access and Highway 64 intersection improvements to their properties which will provide an overall increase in traffic safety.
- B) The rehabilitated paved surface will provide a more readily maintainable and overall improved all-weather driving surface.
- C) The joint County cost sharing of the improvements and the annual and long-term maintenance provides for equitable funding of the roadway needs by the benefitted properties located within both Madison and Gallatin Counties.
- D) The District property owners will realize commensurate increased property values.

## **Engineer**

Morrison-Maierle, Inc., of Bozeman, Montana, has been selected by Madison County as the RID Engineer and, contingent on the County's creation of an RID, will be the engineering firm responsible for the design and construction observation of this project, as well the annual maintenance program analysis and work scheduling.

## **Attorney**

Madison County Attorney's office will be the attorney for this project, and will work in conjunction with Bond Counsel, Jackson, Murdo & Grant of Helena, Montana.

## **Tract Sizes and Diversity of Ownership**

There are 1,680 total assessable lots, parcels or tracts within the proposed Madison and Gallatin County Districts, which includes recorded, and transferrable platted lots, parcels, and aliquot tracts, including condominium and/or Townhouse units (with a final declaration filed), all of which are referred to herein as assessable "parcels". The proposed Madison County RID includes 592 assessable parcels within the proposed district as shown by the official records of the Clerk and Recorder of Madison County, Montana. There are approximately an additional 72 parcels or tracts designated as Parks or Open Space within the proposed Madison County RID. The Madison County Commission has determined that the parks and open spaces within the proposed District would not be assessed since they would not benefit and would thus be excluded from the proposed District. There are no federal lands or other parcels within the proposed District.

The parcel or tract sizes within the district vary greatly in size from entire sections of land to Condominium parcels. The 592 total assessable parcels are owned by 350 individuals or entities, with 297 (50%) of the assessable parcels being under separate ownership wherein the individuals or entities own only a single parcel. Fifty-three (53) individuals or entities own 295 (50%) of the assessable parcels within the proposed district. The following table shows the breakdown of the parcel ownership.

### OWNERSHIP SUMMARY TABLE

Number of Parcels Owned	Owners	Number of Parcels	% of Total Parcels
<b><i>SINGLE PARCELS OWNERS</i></b>	<b>297</b>	<b>297</b>	<b>50.2%</b>
OWN 2 PARCELS	31	62	10.5%
OWN 3 PARCELS	9	27	4.6%
OWN 4 PARCELS	3	12	2.0%
OWN 5 PARCELS	1	5	0.8%
OWN 6 PARCELS	2	12	2.0%
OWN 8 PARCELS	1	8	1.4%
OWN 13 PARCELS	1	13	2.2%
OWN 15 PARCELS	1	15	2.5%
OWN 28 PARCELS	1	28	4.7%
OWN 31 PARCELS	1	31	5.2%
OWN 39 PARCELS	1	39	6.6%
OWN 43 PARCELS	1	43	7.3%
<b><i>MULTIPLE PARCELS SUBTOTAL</i></b>	<b>53</b>	<b>295</b>	<b>49.8%</b>

#### Amendments to the Subdivisions

The projected RID assessments are based on 592 total assessable parcels within the proposed District. This number may increase or decrease up until the time the RID is created. This is due to possible lot splits or creation of condominiums, and/or aggregation of lots and condominiums within the District boundaries. If parcels within the RID District are subdivided in the future, Madison County may, through subdivision review, require equitable participation ("payback") in the RID cost. Any such payback participation would normally be applied to reduce the bond principal. This would reduce the duration of the Bond repayment period, however, the annual assessment for each parcel would remain unchanged during the reduced payback period.

#### Thickly Populated

In considering creation of an RID, the County generally assesses to what degree the district is thickly populated. It is estimated that roughly 50% of the parcels or tracts within the proposed district have dwellings or structures. In order to provide additional assurance against default and safeguard for the County's pledging the RID revolving fund to the proposed bond sale, as well as additional protection for the County tax payers, bond proceeds will include a deposit of 5% of

the principal amount of the bonds to the County's RID revolving fund and an additional 2% Bond Reserve Fund.

### **Revolving Fund**

Generally the County considers the diversity of ownership and the density of improved tracts in considering the degree of financial risk to the County in creating an RID. There are 592 total assessable parcels owned by 350 individuals or entities, with 297 (50%) of the assessable parcels being under separate ownership wherein the individuals or entities own only a single parcel. Fifty-three (53) individuals or entities own 295 (50%) of the assessable parcels within the proposed district. The relatively low assessment rate, reasonable density of occupied or improved tracts, and the property values tend to indicate limited risk to other County taxpayers of significant default on payments. The County will pledge its revolving fund to provide security against defaults in assessments. Bond proceeds will include a deposit of 5% of the principal amount of the bonds to the County's RID revolving fund, and another 2% Bond Reserve has been proposed as additional security against default. The proposed bond assessment is approximately .8% of the total 2008 Market Value of the property within the proposed RID as reported in the most recent tax records.

### **Cost Estimate**

The proposed Schedule 1, 2, & 3 improvements are intended to be jointly funded by RIDs created in Madison and Gallatin Counties. The total project cost of all three improvement schedules is estimated to be \$5,840,000. The cost share between the two County RIDs will be based on prorata share of assessable and benefitted properties located within each respective County RID. The total cost includes construction, engineering, legal services, bond counsel and bond issuance costs (including capitalized interest and underwriter's discount) and County RID administrative costs associated with all three proposed improvement schedules.

The Gallatin County RID Bond amount for the prorata share of the Schedule 1, 2 & 3 costs is estimated to be \$2,390,000. The Madison County RID Bond amount for the prorata share of the Schedule 1, 2 & 3 costs is estimated to be \$3,450,000.

Due to the timing of the RID creation and construction, it is anticipated that the first RID tax assessments will not be due until November 30, 2010. Bonds will be sold in 2009 to finance the construction costs incurred. As such, the estimated cost of accrued bond interest which will be due in January 2010 and July 2010, has been capitalized into the initial bond amount.

The project has been divided into three distinct Schedules to allow the benefitted properties assessments to be equitably determined. These include Schedule 1 – Intersection Improvements, Schedule 2 – Ousel Falls Road Reconstruction, and Schedule 3 – South Fork Road Reconstruction. All assessable properties within the proposed Madison County RID are benefitted by all three of the construction schedule improvements and would therefore be assessed a prorata share for each of the schedules as shown in the attached Drawing 2-1/2/3.

### **Bonds**

The Madison County RID maximum Bond authority, which will be established in the RID Bond Resolution of Intention to Create the District to be adopted by the County Commission, is anticipated not to exceed \$3,450,000. Tax exempt RID Bonds will be sold by Madison County at the same time as Gallatin County bonds are sold for the Gallatin County RID. The maximum term of the bond payback period proposed for this project would be twenty (20) years.

### **Proposed Method of Assessment**

Each assessable parcel within the proposed district will pay an equal assessment for the improvements schedule(s) which benefit the property, without regard to a parcel's total square footage or frontage length or whether the property is currently improved. An assessable parcel shall include platted and transferable lots and aliquot tracts of land and transferable condominium and/or townhouse units on record, with a final declaration with the County Clerk and Recorder. There are a combined total of 1,680 assessable parcels in the proposed Gallatin and Madison County RIDs. The proposed Madison County RID contains 592 assessable parcels. As mentioned previously, all 592 assessable parcels in the proposed Madison County RID will benefit and be assessed a prorata share of the Madison County share of the total \$3,450,000 costs of all three of the improvement schedules (1+2+3).

The Madison County estimated bond amount and property assessments are summarized in the following section. The bond sale and final per parcel assessment would be based on actual total project cost, but cannot exceed the \$3,450,000 bond ceiling which would be established in the RID Resolution of Intention to Create.



## **Payment Schedule**

Payments will be made by annual assessments included on each property's annual tax bill from Madison County for the anticipated 20-year bond payback period. Each assessable parcel in the district will be assessed an equal prorata share of the Madison County portion of the Schedule 1, 2, and 3 costs. Each property owner has the option to pay off the full balance of his assessment at any time, thus reducing or eliminating interest costs. If the property ownership transfers or changes, the annual bond assessment would transfer with the property, unless the outstanding balance is paid in full. The additional annual maintenance assessment will also be charged on each property tax bill. The maintenance assessment is reviewed annually by the County Commission and, as mentioned above, is anticipated to incur inflationary increases over time. As discussed above, any RID "paybacks" which may be secured through future Madison County Subdivision review, would normally be applied to the RID bond principal and thereby reduce the duration of the remaining bond repayment period. Again, the annual assessment for each parcel would remain unchanged.

While recent previous bond sales have had interest rates in the range of 4½% - 5½% range, due to current economic uncertainties a 7.0 percent (7%) interest rate is used herein to project future assessments which includes the statutory ½ percent County fee above the rate on the bonds, pursuant to 7-12-2176 MCA. The County will seek competitive bids for the bonds in order to get the best rate available at the time of the bond sale. The final bond sale amount will include a 5% revolving fund contribution and a 2% Reserve Account to cover possible tax payment delinquencies.

The Annual Assessment for the bond retirement and the Annual Maintenance Assessment for each parcel is determined by the sum of the assessment costs for Schedule 1+2+3. The bond and maintenance assessment areas for each schedule are shown in the Drawings 2-1/2/3 for the Schedule 1, 2, & 3 improvements, respectively. While the bond assessment remains unchanged over the 20 year retirement period, the annual maintenance assessment is evaluated and established annually by the County Commission, as discussed above. The maintenance assessment is anticipated to increase at 4% per year.

The following are the estimated \$3,450,000 Bond payment terms and resulting assessments for the proposed improvements based on the current 592 assessable parcels, a 20 year bond amortization and 7.0% interest rate. The annual maintenance fees are also shown and included.

**ESTIMATED ASSESSMENT SUMMARY (Schedules 1, 2, &3)**

Total Bond Amount	=	\$3,450,000
Assessed Parcels	=	592
<b>Total Bond Assessment per parcel (principal)</b>	=	<b>\$5,827.70</b>
Assumed interest rate:	=	7.0%
Bond Term:	=	<u>20 Years</u>
Average annual Principal payment	=	\$280
Average annual Interest payment	=	<u>\$270</u>
<b>Annual Parcel Assessment (Principal + Interest)</b>	=	<b>\$550</b>
<b>Schd 1 + 2 Annual Maintenance (2008)</b>	=	<b><u>\$113</u></b>
<b>Total Annual Assessment (Bond + Maintenance)</b>	=	<b>\$663</b>

As mentioned above, Drawings numbers 2-1/2/3 also shows the proposed improvement district boundary and reflects that all assessable parcels will be assessed for all three improvements schedules. Additionally, Exhibit C – Assessment Spreadsheet also identifies the annual assessment for each parcel within the proposed RID.

While it is anticipated that bonds will be sold for initiation of construction during the summer of 2009, as discussed above, due to the timing of the RID creation, the first property assessments are anticipated to be due on November 30, 2010.

**Anticipated Schedule**

If the Madison and Gallatin County Commissions elect to proceed through the RID creation process to jointly fund the proposed improvements, the Commissions would likely consider and act upon Resolutions of Intent to Create the RID at a meeting during March or April of 2009. If a Resolution of Intent to Create each proposed RID is passed by each County Commission, property owners within the proposed district boundary will be sent a notice by the County that the RID is being considered by the County Commission. The notice will include details about the RID, and identify what opportunities owners have to comment on, or protest against the creation of the RID.

Following the protest period, a Public Hearing would be during which the County Commissions would take public testimony and act upon a Resolution of RID Creation. If the RID is officially

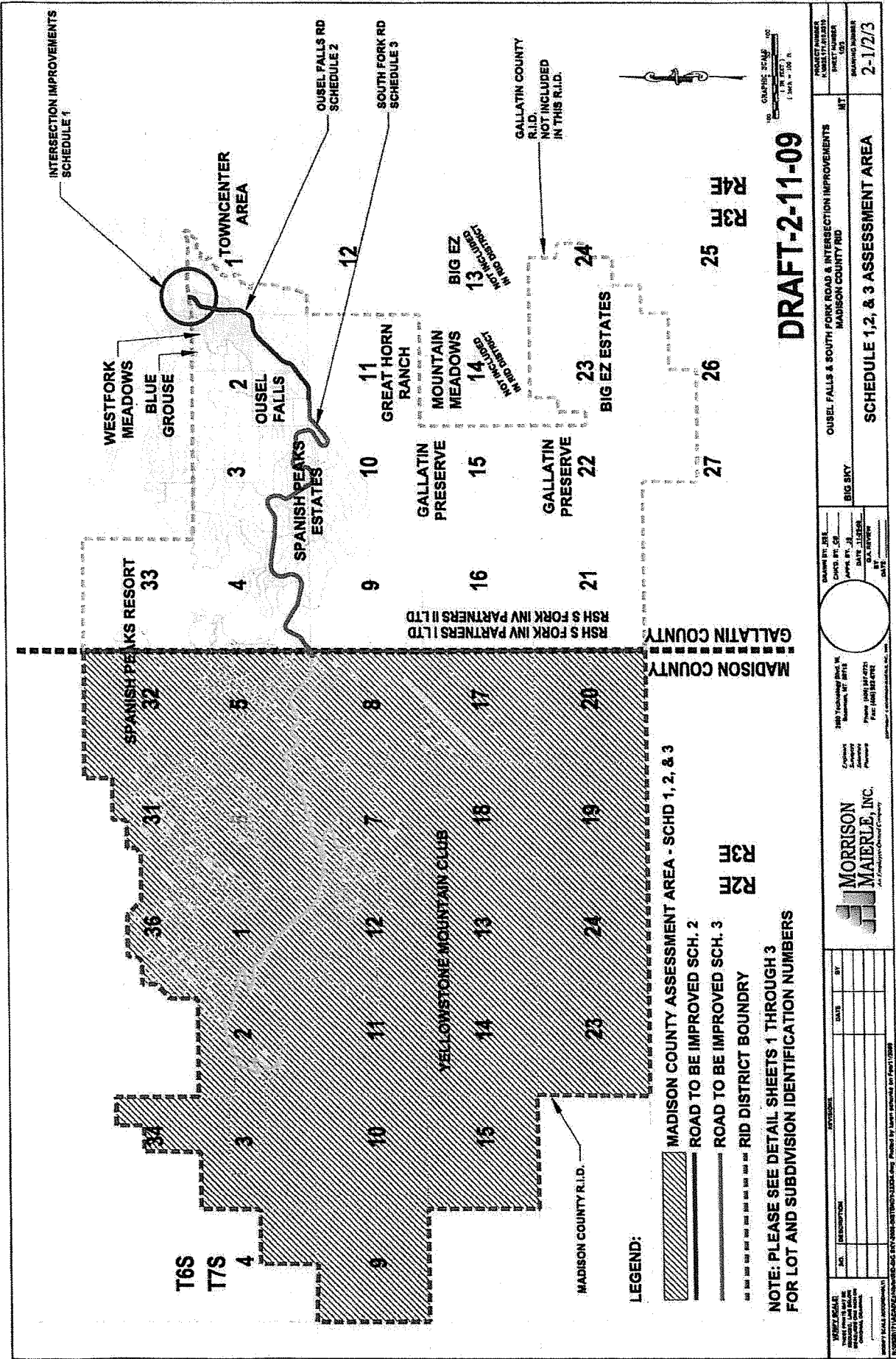
created, owners could expect construction of the improvements to be initiated late summer of 2009, with completion possibly extending into the 2010 construction season. If either of the County Commissions decides not to create the RID for their County, then neither will be created.

**List of Attached Exhibits**

EXHIBIT A -	Project Schedule
EXHIBIT B -	Drawing Number 2 –Madison County RID Boundary
EXHIBIT C -	Assessment Spreadsheet
Drawing Number	2-1/2/3 – Schedule 1, 2, & 3 Assessment Area
Drawing Number	1 of 3, 2 of 3 - Detail Sheets 1 and 2

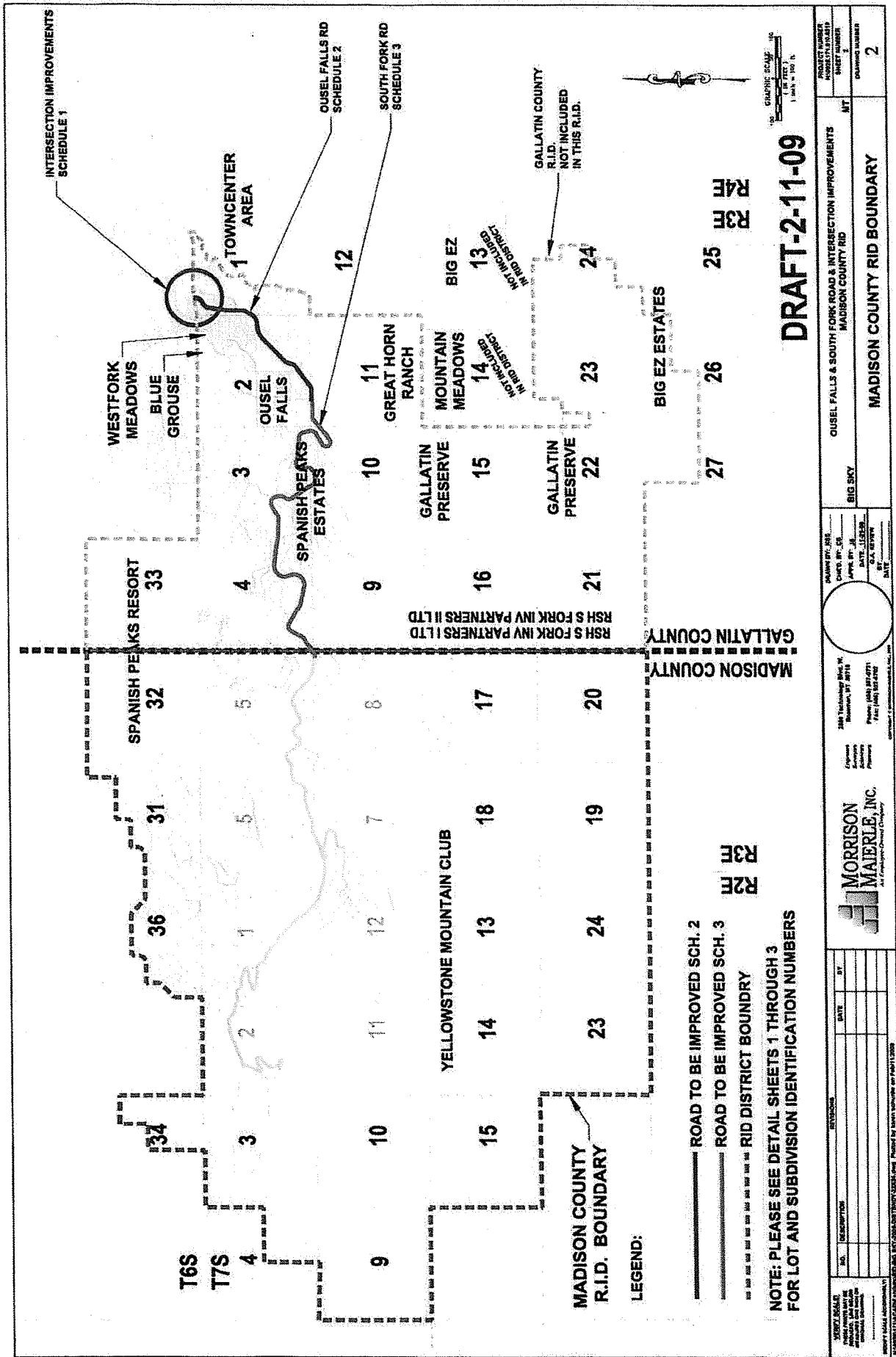
**Ousel Falls and South Fork Roads & Intersection RID****PROPOSED RID PROJECT SCHEDULE**

<b><u>DATE</u></b>	<b><u>TASK</u></b>
<b><u>RID CREATION PROCESS</u></b>	
5/15/08 – 12/31/08	Review site and prepare Preliminary Cost Estimates (Preliminary Design Concept, Construction & Maintenance Costs Estimate and RID creation costs. Conduct thorough property Ownership and Land use research, prepare Preliminary RID Creation Docs (Boundary Map, preliminary Ownership Records & individual land use density, legal issues, individual Property Assessment Spreadsheet, evaluate diversity of Ownership, etc.). Secure MDT intersection concept Design Concurrence.
1/1/09 – 2/15/09	Prepare RID Costs, Property Assessment Spreadsheet and Information Packet for Gallatin & Madison County Commissions.
2/16/09 – 3/11/09	Meet informally with Gallatin and Madison County Commissions and present findings.
3/11/09 – 3/18/09	Host RID Community Meeting. - Date to be determined
3/18/09	Prepare Resolutions of Intent and Creation, and Findings for Revolving Fund - finalize costs and bond amount, boundary exhibits, conduct detailed and final Ownership review, and coordinates review of Gallatin and Madison County Attorneys, Finance Offices, Recorder, & Bond Counsel.
3/24/09	County Commissions consider Resolutions of Intent to Create RID
3/27/09	Publish Notice of Intent in Gallatin and Madison Counties & Mail Notice to all Property Owners of Record.
3/27/09 – 4/27/09	30 day protest Period
5/5/09	Hold Public Hearing, Review Protests and Decision & Resolution to Create RID.
5/7/09	<b><i>RID Creation Completed</i></b>
<b><i>** If RIDs are created proceed with project design, construction &amp; Bond Sales</i></b>	
<b><u>DESIGN, BOND SALE &amp; CONSTRUCTION</u></b>	
5/7/09	Execute Engineering Contract & Conduct Site Survey
3/27/09 – 5/8/09	Prepare Road Improvements design & bid package – <u>MMI</u>
5/8/09 -5/22/09	MDT & County Bid Package review and authorize Advertisement For Bids. – <u>MDT, County (Finance/Road/Attorney)</u>
5/30/09 & 6/6/09	Advertise for Bids. – <u>MMI &amp; Counties</u>
6/12/09 & 6/16/09	Bids Due Date & Bid Opening. – <u>MMI &amp; Counties</u>
6/23/09	Award Bids Contingent upon Bond Sale. – <u>Counties</u>
6/23/09 – 6/26/09	Prepare Bond Sale Documents. – <u>Bond Counsel &amp; Counties</u>
6/30/09	Resolution to Advertise Bonds - <u>Bond Counsel &amp; Counties</u>
7/3/09 – 7/10/09	Advertise Bond Sale. – <u>Bond Counsel &amp; Counties</u>
6/24/09 – 7/17/09	Construction Contracts Reviewed & Approved for signing. – <u>County Attorneys</u>
7/21/09	Open & Award Bonds, Sign Construction Contract, Issue Notice to Proceed and <b>Start Construction</b> – <u>MMI &amp; Counties</u>
8/15/09	Close Bonds. – <u>Bond Counsel &amp; Counties</u>
7/27/09 – 10/15/10	<b>Construct Project Improvements</b>



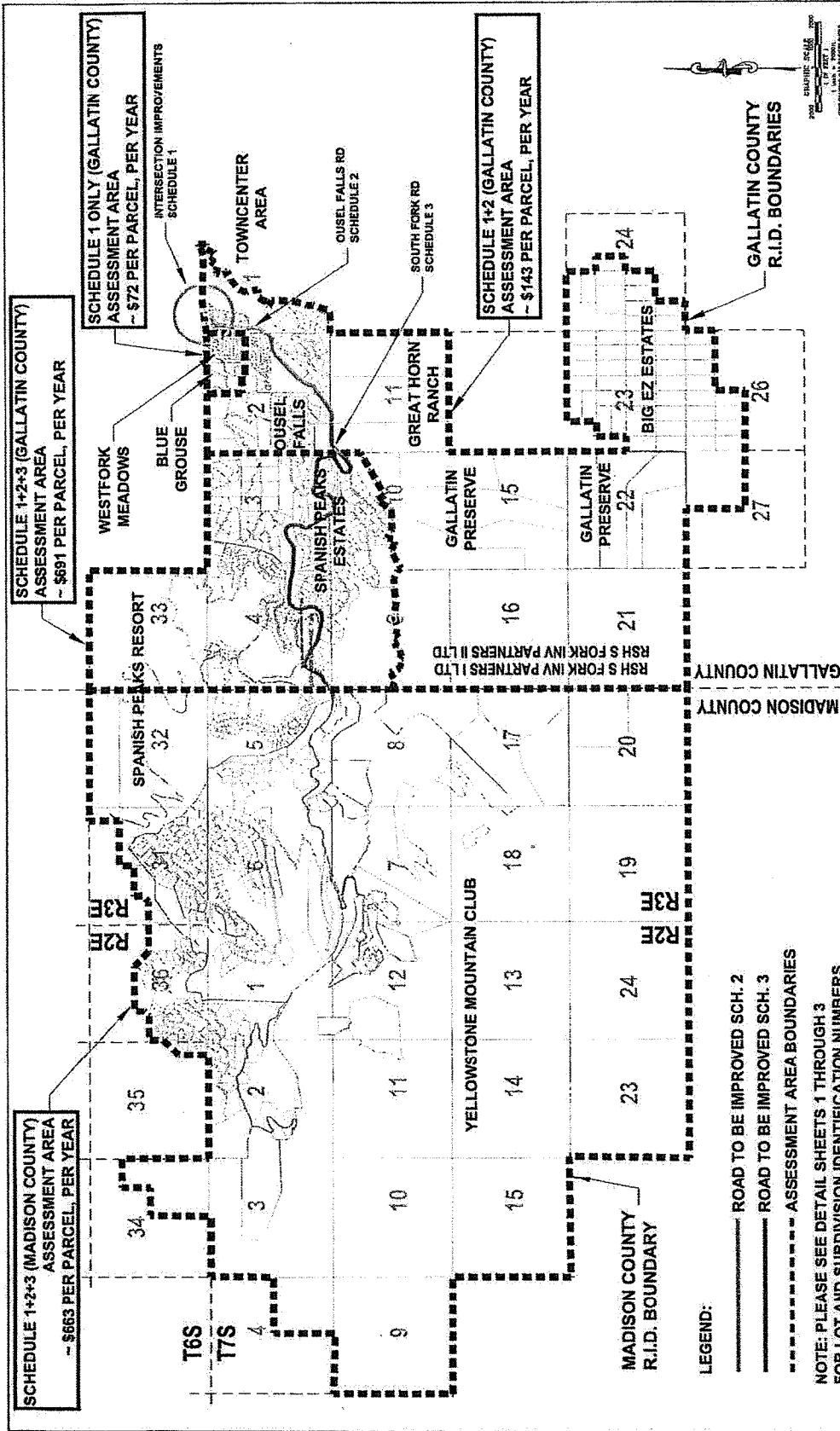
**DRAFT-2-11-09**

<b>PROJECT NAME</b> OUSEL FALLS & SOUTH FORK ROAD & INTERSECTION IMPROVEMENTS MADISON COUNTY R.D.		<b>PROJECT NUMBER</b> 2-11-09
<b>DATE</b> 2-11-09		<b>DATE</b> 2-11-09
<b>PROJECT LOCATION</b> OUSEL FALLS & SOUTH FORK ROAD & INTERSECTION IMPROVEMENTS MADISON COUNTY R.D.		<b>PROJECT LOCATION</b> MT
<b>PROJECT OWNER</b> MORRISON MAIERLE, INC. 1000 Technology Blvd. N. Madison, WI 53703 Phone: (608) 834-4720 Fax: (608) 834-4720		<b>PROJECT OWNER</b> MORRISON MAIERLE, INC.
<b>PROJECT ENGINEER</b> MORRISON MAIERLE, INC.		<b>PROJECT ENGINEER</b> MORRISON MAIERLE, INC.
<b>PROJECT DATE</b> 2-11-09		<b>PROJECT DATE</b> 2-11-09
<b>PROJECT SCALE</b> 1" = 100'		<b>PROJECT SCALE</b> 1" = 100'
<b>PROJECT SHEET</b> 1 OF 3		<b>PROJECT SHEET</b> 1 OF 3



**DRAFT-2-11-09**

SHEET NUMBER PROJECT NUMBER SHEET NUMBER DRAWING NUMBER		PROJECT NAME MADISON COUNTY RID MADISON COUNTY RID BOUNDARY	
DATE 11/11/09		DATE 11/11/09	
DRAWN BY CHECKED BY DATE 11/11/09		BIG SKY BIG EZ ESTATES	
3000 Technology Blvd. W. Bozeman, MT 59711 Phone (406) 997-0771 Fax (406) 997-0772		MORRISON MAIERLE, INC. A Engineering-Consulting Company	



<b>PROJECT NUMBER</b> MADISON COUNTY SHEET NUMBER 1-4	
<b>PROJECT NAME</b> OUSEL FALLS & SOUTH FORK ROAD & INTERSECTION IMPROVEMENTS GALLATIN COUNTY RD	
<b>PROJECT LOCATION</b> BIG BAY	
<b>PROJECT OWNER</b> BIG BAY	
<b>PROJECT ENGINEER</b> MORRISON MAIERLE, INC. 1000 N. 10TH ST. SPOKANE, ID 83402 (208) 325-1111 FAX (208) 325-1112 E-MAIL: MORRISON@MORRISONMAIERLE.COM	
<b>PROJECT DATE</b> 10/1/2010	
<b>PROJECT SCALE</b> 1" = 100'	
<b>PROJECT DRAWN BY</b> J. MAIERLE	
<b>PROJECT CHECKED BY</b> J. MAIERLE	
<b>PROJECT APPROVED BY</b> J. MAIERLE	

EXHIBIT C

**MADISON COUNTY  
RURAL IMPROVEMENT DISTRICT**

**OPINION OF ESTIMATED QUANTITIES  
AND CONSTRUCTION COST (for BOND SIZING PURPOSES)  
Big Sky Ousel Falls & South Fork Road and Intersection Improvements**

Prepared by Morrison-Maierle, Inc.  
Updated February 20, 2009

- Improvements included in RID:
  - Intersection improvements of Highway 64 and Ousel Falls Road (Schedule 1)
  - Road improvements on Ousel Falls & South Fork Roads from the intersection of Highway 64 to the Yellowstone Club Gate House (Schedule 2 & 3).
- District Boundary Includes:
  - Estimate below is based on 592 assessed parcels
- Projected Costs:

Construction costs:	\$2,136,919
15% contingencies:	<u>\$320,538</u>
<b>CONSTRUCTION:</b>	<b>\$2,457,457</b>
15% Engineering Design & Inspection:	<u>\$368,619</u>
<b>CONSTRUCTION SUBTOTAL:</b>	<b>\$2,826,075</b>
 Preliminary Engineering for RID Creation:	 \$29,000
RID fees (bond counsel, advertising, etc.):	\$25,050
*County Administrative Fee:	\$20,000
County Legal Fee:	\$8,000
+ 2% bond discount:	\$69,000
5% Revolving Fund Fee:	<u>\$172,500</u>
2% Reserve Fund	\$69,000
Capitalized Bond Interest	\$221,375
DA Davidson Admin. Assistance	\$10,000
 <b>RID FEES SUBTOTAL:</b>	 <b>\$623,925</b>
 <b>PROJECT TOTAL:</b>	 <b>\$3,450,000</b>
 <b>BOND AMOUNT:</b>	 <b>\$3,450,000</b>
 Approximate Total Assessed Parcels	 592
<b>Total Amount Assessed</b>	<b>\$5,827.70</b>
<b>Annual Assessment @ 7% for 20 Years</b>	<b>\$550.08 /yr</b>
<b>Annual Maintenance Assessment</b>	<b>\$113.00 /yr</b>
<b>Total Assessment for 20 Years</b>	<b>\$663.08 /yr</b>

\* Fees for Madison County estimated at this time.



<b>RID</b>		<b>Preliminary Estimate of Maintenance Assessment</b>	
<b>BIG SKY OUSEL FALLS ROAD (SCHEDULE 3)</b>			
<b>FEB 2009</b>			
19120 L.F. OF ROADS 24 FEET WIDE		2009 AVERAGE COST/LOT <span style="float: right;">\$84.00 *</span> 2030 AVERAGE COST/LOT <span style="float: right;">\$184.05</span>	
83300 SQUARE FEET IN DISTRICT		<b>EQUAL ASSESSMENTS ON ALL PLATTED LOTS &amp; CONDOMINIUM UNITS</b>	
833 NUMBER OF ASSESSED AREAS		AVERAGE COST/LOT <span style="float: right;">\$84.00</span>	

ITEM	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	TOTAL AMOUNT
<b>FOG SEAL</b>					
1	Seal Coat	5608.5	GAL	\$2.50	\$14,021.33
2	Patches	10	S.Y.	\$39.00	\$390.00
<b>SUBTOTAL</b>					<b>\$14,411.33</b>
<b>ENGINEERING &amp; CONTIN.</b>					<b>\$2,882.27</b>
					<b>\$17,293.60</b>
<b>WEED CONTROL</b>					
1	Weed Spraying	5250	L.F.	\$0.03	\$157.50
<b>Snow Plowing &amp; Misc.</b>					
1	Plow, Sand and Misc				\$10,000.00
	20% Added (Weather Extremes)				\$2,000.00
2	Misc. Expenses				\$554.48
					<b>\$12,554.48</b>
<b>OVERLAY</b>					
1	1 1/2 INCH OF ASP	4669.104	TONS	\$85.00	\$396,873.84
2	ASPHALT TACK	5808.5	GAL	\$1.50	\$8,412.80
3	PATCHES	1000	S.Y.	\$45.00	\$45,000.00
<b>SUBTOTAL</b>					<b>\$450,286.64</b>
<b>ENGINEERING &amp; CONTIN.</b>					<b>\$90,057.33</b>
					<b>\$540,343.97</b>
<b>COMMENTS</b>					
INTEREST ON CASH EARNINGS BASED ON				3% PER YEAR	
THE CONSTRUCTION COSTS ARE BASED ON				4% PER YEAR INFLATION	
2009 CASH ON HAND		\$0.00			
2008 ASSESSMENT		\$0.0000			

NOV. ASSESS.	ASSESSMENT/S.F.	AMOUNT BILLED	MARCH 31 CASH ON HAND	AVG. COST PER LOT	CONST. COSTS	ENGINEER FEES	MISC. & SNOW PLOWING	ADMIN. COSTS	BALANCE ON HAND	TYPE OF MAINTENANCE
2009		\$0.00	\$0.00						\$0.00	
2010	0.84	\$69,972.00	\$0.00	\$84.00	\$0.00	\$2,040.56	*	*	\$0.00	
2011	0.8736000	\$72,770.88	\$72,071.16	\$87.36	\$0.00	\$2,101.78	\$ 12,554.48	\$500.00	\$56,914.90	
2012	0.9085440	\$75,681.72	\$133,576.35	\$90.85	\$170.35	\$2,164.83	\$ 12,931.11	\$500.00	\$117,810.05	WEED SPRAY
2013	0.9448858	\$78,708.98	\$199,296.52	\$94.49	\$0.00	\$2,229.78	\$ 13,318.05	\$500.00	\$183,247.69	
2014	0.9828812	\$81,857.34	\$269,815.38	\$98.27	\$184.25	\$2,296.67	\$ 13,718.62	\$500.00	\$253,115.83	WEED SPRAY
2015	1.0219884	\$85,131.64	\$345,022.37	\$102.20	\$0.00	\$2,365.57	\$ 14,130.18	\$500.00	\$328,026.62	
2016	1.0628680	\$88,536.90	\$425,553.01	\$106.29	\$199.29	\$2,436.54	\$ 14,554.08	\$500.00	\$407,863.10	WEED SPRAY
2017	1.1053827	\$92,078.38	\$511,292.00	\$110.54	\$0.00	\$2,509.64	\$ 14,980.71	\$500.00	\$493,291.66	
2018	1.1495980	\$95,761.51	\$602,931.14	\$114.96	\$215.55	\$2,584.92	\$ 15,440.43	\$500.00	\$584,190.24	WEED SPRAY
2019	1.1955819	\$99,591.97	\$700,350.30	\$119.56	\$0.00	\$2,662.47	\$ 15,903.64	\$500.00	\$681,284.19	
2020	1.2434052	\$103,575.65	\$804,302.45	\$124.34	\$233.14	\$2,742.35	\$ 16,380.75	\$500.00	\$784,446.21	WEED SPRAY
2021	1.2931414	\$107,718.68	\$914,862.52	\$129.31	\$831,834.71	\$2,824.62	\$ 16,872.17	\$500.00	\$82,631.02	OVFRY
2022	1.3448671	\$112,027.43	\$175,460.19	\$134.49	\$252.16	\$2,909.36	\$ 17,378.34	\$500.00	\$154,420.34	WEED SPRAY
2023	1.3986617	\$116,508.52	\$274,441.20	\$139.87	\$0.00	\$2,986.64	\$ 17,899.69	\$500.00	\$253,044.87	
2024	1.4546082	\$121,168.86	\$380,640.00	\$145.46	\$272.74	\$3,086.54	\$ 18,436.68	\$500.00	\$358,344.05	WEED SPRAY
2025	1.5127925	\$126,015.62	\$493,898.30	\$151.28	\$0.00	\$3,179.13	\$ 18,989.78	\$500.00	\$471,229.39	
2026	1.5733042	\$131,056.24	\$615,162.36	\$157.33	\$294.99	\$3,274.51	\$ 19,559.47	\$500.00	\$591,533.39	WEED SPRAY
2027	1.6362364	\$136,298.49	\$744,267.32	\$163.62	\$0.00	\$3,372.74	\$ 20,148.25	\$500.00	\$720,248.32	
2028	1.7016859	\$141,750.43	\$882,243.22	\$170.17	\$319.07	\$3,473.92	\$ 20,750.64	\$500.00	\$857,190.50	WEED SPRAY
2029	1.7697533	\$147,420.45	\$1,028,918.52	\$176.98	\$0.00	\$3,578.14	\$ 21,373.16	\$500.00	\$1,003,467.22	
2030	1.8405434	\$153,317.27	\$1,185,414.30	\$184.05	\$345.10	\$3,685.48	\$ 22,014.36	\$500.00	\$1,158,869.36	WEED SPRAY

A 3% INCREASE PER YEAR FOR SNOWPLOWING

(A 3% INCREASE PER YEAR FOR INFLATION IS INCLUDED FOR ENGINEERING & ADMINISTRATION)

\* AMOUNT PAID BEFORE JUNE 12009

**CHANGES**

Date of Original Improvements: 2009

RID

BIG SKY OUSEL FALLS ROAD (SCHEDULE 2)

FEB 2009

Preliminary Estimate of Maintenance Assessment

8150 L.F. OF ROADS

24 FEET WIDE

143900 SQUARE FEET IN DISTRICT

1439 NUMBER OF ASSESSED AREAS

2009 AVERAGE COST/LOT

2030 AVERAGE COST/LOT

EQUAL ASSESSMENTS ON ALL PLATTED LOTS & CONDOMINIUM UNITS

AVERAGE COST/LOT

\$29.00 \*

\$63.54

\$29.00

\*ASSESSMENT BASED

ITEM	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	TOTAL AMOUNT
FOG SEAL					
1	Seal Coat	2390.7	GAL	\$2.50	\$5,976.67
2	Patches	10	S.Y.	\$39.00	\$390.00
SUBTOTAL					\$6,366.67
ENGINEERING & CONTIN.					\$1,273.33
					\$7,640.00
WEED CONTROL					
1	Weed Spraying	5250	L.F.	\$0.03	\$157.50
Snow Plowing & Misc.					
1	Plow, Sand and Misc				\$10,000.00
	20% Added (Weather Extremes)				\$2,000.00
2	Misc. Expenses				\$236.35
					\$12,236.35
OVERLAY					
1	1 1/2 INCH OF ASP	1900.23	TONS	\$85.00	\$169,169.55
2	ASPHALT TACK	2390.7	GAL	\$1.50	\$3,586.00
3	PATCHES	1000	S.Y.	\$39.00	\$39,000.00
SUBTOTAL					\$211,755.55
ENGINEERING & CONTIN.					\$42,351.11
					\$254,106.66
COMMENTS					
INTEREST ON CASH EARNINGS BASED ON				3% PER YEAR	
THE CONSTRUCTION COSTS ARE BASED ON				4% PER YEAR INFLATION	
2009 CASH ON HAND		\$0.00			
2008 ASSESSMENT		\$0.0000			

NOV. ASSESS.	ASSESSMENT/S.F.	AMOUNT BILLED	MARCH 31 CASH ON HAND	AVG. COST PER LOT	CONST. COSTS	ENGINEER FEES	MISC. & SNOW PLOWING	ADMIN. COSTS	BALANCE ON HAND	TYPE OF MAINTENANCE
2009			\$0.00						\$0.00	
2010	0.29	\$41,731.00	\$0.00	\$29.00	\$0.00	\$2,863.81	*	*	\$0.00	
2011	0.3016000	\$43,400.24	\$42,982.93	\$30.16	\$0.00	\$2,949.73	\$ 12,236.35	\$500.00	\$27,296.85	
2012	0.3136640	\$45,136.25	\$72,818.00	\$31.37	\$170.35	\$3,038.22	\$ 12,603.44	\$500.00	\$56,505.99	WEED SPRAY
2013	0.3262106	\$46,941.70	\$104,691.51	\$32.62	\$0.00	\$3,129.37	\$ 12,981.54	\$500.00	\$88,080.60	
2014	0.3392590	\$48,819.37	\$139,072.97	\$33.93	\$184.25	\$3,223.25	\$ 13,370.99	\$500.00	\$121,794.47	WEED SPRAY
2015	0.3528293	\$50,772.14	\$175,732.26	\$35.28	\$0.00	\$3,319.95	\$ 13,772.12	\$500.00	\$158,140.19	
2016	0.3669425	\$52,803.03	\$215,179.70	\$36.69	\$199.29	\$3,419.54	\$ 14,185.28	\$500.00	\$196,875.59	WEED SPRAY
2017	0.3816202	\$54,915.15	\$257,168.98	\$38.16	\$0.00	\$3,522.13	\$ 14,610.84	\$500.00	\$238,536.00	
2018	0.3968850	\$57,111.76	\$302,254.69	\$39.69	\$215.55	\$3,627.79	\$ 15,049.17	\$500.00	\$282,862.18	WEED SPRAY
2019	0.4127604	\$59,396.23	\$350,173.15	\$41.28	\$0.00	\$3,736.63	\$ 15,500.64	\$500.00	\$330,435.88	
2020	0.4282708	\$61,772.07	\$401,527.07	\$42.93	\$233.14	\$3,848.73	\$ 15,965.66	\$500.00	\$380,979.54	WEED SPRAY
2021	0.4464417	\$64,242.96	\$456,034.16	\$44.64	\$391,185.53	\$3,964.19	\$ 16,444.63	\$500.00	\$43,939.82	OVERLAY
2022	0.4642993	\$66,812.68	\$111,428.26	\$46.43	\$252.16	\$4,083.11	\$ 16,937.97	\$500.00	\$89,655.01	WEED SPRAY
2023	0.4828713	\$69,485.18	\$161,161.71	\$48.29	\$0.00	\$4,205.61	\$ 17,446.11	\$500.00	\$139,010.00	
2024	0.5021862	\$72,264.59	\$214,750.04	\$50.22	\$272.74	\$4,331.78	\$ 17,969.49	\$500.00	\$191,676.03	WEED SPRAY
2025	0.5222736	\$75,155.17	\$271,858.84	\$52.23	\$0.00	\$4,461.73	\$ 18,508.58	\$500.00	\$248,388.53	
2026	0.5431646	\$78,161.38	\$333,250.01	\$54.32	\$294.99	\$4,595.58	\$ 19,063.83	\$500.00	\$308,795.00	WEED SPRAY
2027	0.5648911	\$81,287.84	\$398,565.69	\$56.49	\$0.00	\$4,733.45	\$ 19,635.75	\$500.00	\$373,696.50	
2028	0.5874868	\$84,539.35	\$468,633.86	\$58.75	\$319.07	\$4,875.45	\$ 20,224.82	\$500.00	\$442,714.52	WEED SPRAY
2029	0.6109863	\$87,920.92	\$543,071.49	\$61.10	\$0.00	\$5,021.72	\$ 20,831.57	\$500.00	\$516,718.20	
2030	0.6354257	\$91,437.76	\$622,778.30	\$63.54	\$345.10	\$5,172.37	\$ 21,456.51	\$500.00	\$595,304.32	WEED SPRAY

A 3% INCREASE PER YEAR FOR SNOWPLOWING

(A 3% INCREASE PER YEAR FOR INFLATION IS INCLUDED FOR ENGINEERING & ADMINISTRATION)

\* AMOUNT PAID BEFORE JUNE 1, 2009